

Death for Transkeians who set man alight

CITIZEN 13/1/88

Citizen Reporter

TWO Transkei citizens were sentenced to death in the Free State Supreme Court in Bloemfontein yesterday for the killing of an elderly Zastron man who was strangled and set alight in his farmhouse last year.

In passing sentence, Mr Justice H W O Klopper said he could not find any mitigation for Philip Ndleleni (30) and Petros Mogeli Shibane (32) on the murder charge as there was no definite evidence that Mr Hendrik Johannes Swanepoel Hoffman (70) was dead when he was set alight.

The judge said the murder and robbery were

planned.

When sentencing the two men to eight years imprisonment each on the two robbery charges, Mr Justice Klopper said he noticed mitigating circumstances in the fact that both killers are married with children and that they only stole goods of minor value, such as the knife and a torch.

They also assisted police in their investigations.

In earlier evidence before the court, the State alleged that the killers had gone to the farm Ka-reefontein by car and cut the telephone cord.

As Mr Hoffman appar-

ently resisted them, he was struck on the head with a wheel spanner and strangled with a rope.

The killers then buried Mr Hoffman under a mattress, blankets and sheets before soaking them with

petrol and set them alight on November 4 last year.

Mr André Burger, for the accused, gave notice of appeal which will be heard in the Free State Supreme Court on Monday.

Analysing the 'incrementalists'

THERE ARE only two ways a ruling group can be induced to relinquish political control — they can be coerced or they can be seduced.

In SA, the realities of military power rule out the former in the foreseeable future. And a ruling elite will relinquish control through seduction only when it believes it is in its longer-term interests to do so.

Further, the second method — which is by its nature a slow process — is the only one which makes possible a transition to a relatively democratic society, rather than merely an exchange of oligarchies.

This is one of the key assertions in the book "A future South Africa — visions, strategies and realities," co-edited by Anglo American's Bobby Godsell and Boston University sociology Professor Peter Berger and launched in Johannesburg yesterday.

Common bond

The book is a product of a research project "South Africa Beyond Apartheid," which began in 1985 and was conducted by a group of 20 South African and US academics and writers.

According to the preface, their common bond was a commitment to the abolition of the morally reprehensible apartheid system and its replacement by a democracy and not a tyranny in a process in which the productive capacity of the economy should not be destroyed and where the human costs of transition should be kept to a minimum.

The project set out to identify the key actors in the South African scenario, both local and foreign, and to subject them to a critique in terms of their vision for SA and their "strategic logic".

The co-editors argue, in their chapter referred to above, that the distinction of SA as an authoritarian country rather than a totalitarian one is important in any analysis of strategies for change.

'Space' exists

In totalitarian societies, new institutions immediately threaten the existing order by their mere existence. In SA, despite the undemocratic exercise of power, the "space" exists for churches, unions, artists, academics and new political parties — specifically among the enfranchised — to emerge.

The actors identified and analysed are broadly categorised into government, the right wing, exiled resistance organisations, internally-based resistance groups and foreign governments and groups.

And then there are the members of the group for which the name "the incrementalists" has been coined by the authors of that section, Godsell and Ann Bernstein.

ALAN FINE



□ BOBBY GODSELL



□ PETER BERGER

This chapter analyses what are seen as four of the most prominent groups falling into this category: Inkatha, the Labour Party, the PFP and business.

Godsell and Bernstein argue that while they differ widely in terms of position in society and potential constituencies, they share certain values and attitudes.

They reject apartheid and they reject revolution as the best way of changing the situation. They accept a "multistrategy" approach, in that change will not be brought about by one source alone.

They recognise the enormous power of the existing State and also that an essential condition for change is economic growth. They hence oppose sanctions and disinvestment, although not necessarily other types of foreign pressure.

A further common feature is that they do not see apartheid and cap-

italism as synonymous, and envisage a future economic system somewhere on the spectrum between the free market approach and social democracy.

They are committed to the rule of law and civil rights, and to negotiation as the best means for resolving conflict in SA. They are opposed to "protest politics" and, finally, accept the place of whites in the struggle for, and their contribution to, a future non-discriminatory society.

Different

The authors argue that there are other actors — such as many trade unions and bodies like the National Education Co-ordinating Committee — who are prepared to engage in negotiations with the authorities and who work as democratically as they can, and are thus also working for incremental change.

However, they see themselves as different to the incrementalists in that they do not participate in State-created political institutions, they support disinvestment, are often committed to socialism and support protest politics.

The authors argue that the incrementalists, by working through a process which has "far less symbolic and dramatic power than the armed force of the State or the dramatic deeds of revolutionaries" depend on great political skill and tactical agility.

Both Inkatha and the Labour Party, for example, face dilemmas arising from their participation in racially-defined institutions with limited power.

Since the beginning of this decade, it has become insufficient for the PFP merely to criticise the *status quo*. It now has to apply its principles also to the political agenda for achieving a post-apartheid social structure.

Resources

And business, which cannot be seen as a homogenous grouping, can extend its role beyond that of quiet lobbying. It has the resources to undermine the racially-structured *status quo* through, for example, assisting non-racial residential settlement.

In addition, government's strategy of socio-economic reform requires active business participation, and this gives the private sector the opportunity to use this leverage as a tool for "opening up the system".

The co-editors' message is ultimately a hopeful one: "Neither paradise nor Armageddon awaits SA. Instead, a slow and often painful march towards modernity is on the agenda. A non-racial democratic and prosperous society is possible. South Africans simply have to make it happen."

It is time to fight for... *Sowetan* 13/7/88 **Freedom** J

SIR — I have just been released from prison after serving two years for public violence.

After coming out of jail in February and looking at the present political situation among the youth, I feel that no progress has been made in Mamelodi and that there is lack of dynamic leadership that is committed.

This problem is not only peculiar to Mamelodi but is countrywide. The burning of witches and ambulance/undertakers is sad testimony of how low we, the black youth, have sunk.

Lack of positive direction from our parents has been the biggest pitfall. This situation was further aggravated by both the UDF and Azapo in terms of direction. The UDF always reacted to events and Azapo's approach is totally academic and far removed from the masses. The civic associations are noise-makers with nothing positive to offer except boycotts.

My criticism must not be seen as negative but rather as very construc-

tive. We as the youth die in great numbers, are maimed, tortured, detained and harassed, not excluding petrol-bombing and yet all these things are for nothing.

Blacks are killing blacks; blacks are criticising blacks; blacks are arresting blacks; blacks are selling blacks out and nobody is trying to rectify this situation.

Our leaders must stop criticising each other and get on with the job of leading us in a positive way towards liberation.

Leaders must stop going underground and disappearing from the midst for long periods, they must be prepared like the youths to die or go to prison, for our liberation. Our parents must never accept to be turned into outlaws in their country.

We need leaders like among our parents who are prepared to lose their lives and property like the Ribeiros. The time of philosophising about the black man's struggle is over. Whites fear negotiating a meaningful settlement because of monsters they themselves have created like homelands.

It is still the duty of the black parents not to leave us a heritage of dusty and muddy streets, influx control, apartheid, matchbox houses, bantu education, Population Registration Act, hostels, migrant labour, etc.

As Bra Louis aptly put it at one meeting, it is our duty to find a peaceful solution. Blacks must wake up.

J VUSI MABENA
Mamelodi West.

More Israelis back 'iron-fist' policy

By Claudia Rader

JERUSALEM. — Israelis, weary and hardened by Palestinian revolt in the West Bank and Gaza Strip, say they want a return to order and are increasingly backing the government's "iron-fist" policy.

While soldiers battle Arab protesters, bulldoze houses and impose curfews on villages in the West Bank, 30 minutes drive away Israeli sun-worshippers throng to Tel Aviv beaches, determined to live a normal life amid seven months of anti-Israeli violence.

Many say they would be ready to make territorial concessions for peace, but at the same time opinion polls show growing numbers back the government's policy of using force, house demolitions and mass arrests to suppress the uprising.

"They have hardened our hearts. We are now much more demanding of each condition we would set for peace than we were in the past," said post office manager Moshe Avital.

From Strength

Months of turmoil in the West Bank and Gaza

Strip have convinced Avital and many other Israelis that the government must act forcefully to extinguish the Arab rebellion.

Only then, they say, can it negotiate from strength.

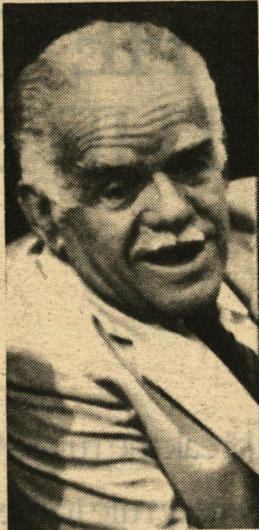
A veteran of three wars, Avital said he was tired of conflict and was willing to trade some of the disputed territories to ensure peace in the lifetime of his children.

Yehuda, a Jerusalem company manager enjoying ice cream with his children on a sabbath stroll, said:

"There was a problem with the Palestinians before and there still is. We must be ready to say we will give land for peace, but I want the government to make more efforts to stop the intifada (uprising). If the government is weak, it will be much worse."

With general elections due on November 1, recent opinion polls show swelling support for the Rightist Likud Bloc of Prime Minister Yitzhak Shamir.

"The general trend over the last six months has definitely been to the Right. People feel their security is being threatened and they favour a



Prime Minister YITZHAK SHAMIR
...growing support for his Likud Bloc

stronger and more energetic policy to put down the uprising. They're saying, 'Get this situation under control and then we'll talk,'" pollster Hanoach Smith said.

According to a poll in March, three months after the troubles began, support for Likud had grown to 30 percent from 26 percent, while support for the more dovish Labour Party which supports an international peace conference had slipped a point to 35 percent.

Smith said three out of four Israelis thought the "Iron fist" policy was the right way to deal with the rebellion — which has cost the lives of at least 228 Palestinians and four Israelis — compared to just half in December.

Army pressure

Many more people — 60 percent compared to 13 percent in December — supported greater army pressure to end the disturbances.

But just as many said the time had come to negotiate with Palestinians, and the number believing in territorial concessions had also grown.

Some say the very existence of Israel's coalition Government of Likud and Labour underscores the inner conflict of Israelis between wanting a hard line to ensure the country's security and flexibility to bring peace quickly.

Many see a possible solution in the government's policy of deporting troublemakers and suspected inciters.

"It's not an inhumane way of treating people, it's better than jailing them or destroying their houses, and I think most middle-ground Israelis would support that," said Daniel Elazar, president

of the Jerusalem Centre for Public Affairs.

The uprising has meant new support for a proposal to expel all the Arabs from Israel and the territories.

On the other hand, the ultra-nationalist Gush Emanim movement, which wants widespread Jewish settlement in the territories seized during the 1967 Middle East War, has not bolstered its pull among mainstream Israelis and is having trouble attracting new settlers.

The Left-wing group, Peace Now, organised to oppose Israel's 1982 invasion of the Lebanon, drew big crowds to two demonstrations earlier this year.

Hecklers

But more frequent protests by groups such as Stop the Occupation and Yesh Gvul, which supports Israelis who refuse to do military service in the territories, generally attract more hecklers than supporters.

Underlying the fears of many Israelis about compromise is the belief that the fast-growing Arab population, now about 2.2 million in the territories and Israel compared with 3.5 million Jews, would not be satis-

fied with autonomy in the West Bank and Gaza but would press for all of Israel.

"I'd like to live with them (the Arabs) because I love them. But I'm also afraid of them. On the one hand, I'd take the chance and give them something, but then they'll want more. They're a very tough adversary," said US-born photographer Joe Malcolm.

One view commonly expressed is that Arabs living in the territories are ungrateful for what Israelis say is a high standard of living which they never had before 1967.

"The uprising is being run by people who know what it is to eat and have abundance. They have roads, lights, schools, hospitals — there wouldn't be an intifada if they had knowledge of how bad things were before and how badly they were treated," said Avital.

Another factor is the concern of many Israelis about whom they should begin talking to about peace.

Terrorists

Most Palestinians see Yasser Arafat's Palestine Liberation Organisation (PLO) as their sole legitimate representative. The Israeli Government refuses to negotiate with the PLO, recognising it as a terrorist organisation designed to destroy the State of Israel.

Kinnock: mad to fight SA

The CITIZEN 13/7/83

GABORONE. —British opposition leader Mr Neil Kinnock, denounced the South African Defence Force yesterday for repeatedly raiding neighbouring Black-ruled states.

But making clear he saw limits to Britain's potential commitment, Mr Kinnock said: "We do not want to get involved in a war. You don't want to see Britain involved in a war with South Africa — it would be crazy."

Mr Kinnock, in Botswana on the second leg of a tour of Southern Africa, spoke next to the charred ruins of a house

where four people died in a South African raid on March 28.

Describing the South African Government and its troops as "clumsy, stupid and murderous," Mr Kinnock said: "We are basically up against a bunch of well-armed cowards."

Mr Kinnock and his wife Glenus spent 10 minutes commiserating with the relatives of Masego Ikgopoleng, a 19-year-old woman who died in the raid, which South Africa said was meant to hit African National Congress terrorists.

The dead woman's uncle and aunt, Joel and Agnes Sekwga, told Mr

Kinnock she had no political connections.

Standing outside the wrecked house in Phiring, a suburb of the Botswana capital, Mr Kinnock described the pattern of South African attacks a "completely mindless".

Asked what help Britain could give Botswana to defend itself, Mr Kinnock said British instructors would be arriving soon to train the small Botswana Defence Force. He hoped Britain and other countries would supply radios, helicopters and other equipment to reinforce local defences.

Earlier Botswana's Foreign Minister, Dr Gaositwe Chiepe, told Mr Kinnock Botswana was unhappy with Britain's reaction to South African attacks.

A source in the Kinnock party said Botswana felt Britain's policy of condemning "all cross-border raids" made it seem as if Botswana also staged raids on South Africa.

Today Mr Kinnock drives to a rail junction on the South African border to meet Botswana's President Dr Quett Masire. — Sapa-Reuter.

THE CITIZEN COMMENT

Dukakis

13/7/88

IF his policy towards South Africa is anything to go by, we feel sorry for the United States if Mr Michael Dukakis is elected President.

He brands South Africa a terrorist state, and if elected President, would ultimately consider using force against South Africa.

He also says that as President he would expect British Prime Minister Margaret Thatcher to drop her opposition to sanctions and join him in tough new action to break apartheid.

Now, we are quite used to the Americans telling us where to get off, as if we are some kind of banana republic.

We are also quite used to Americans disinvesting and imposing sanctions against us, as if the US has some kind of God-given mission to destroy South Africa's economy in order to impose its will on it.

But Mr Dukakis is something we have still to encounter.

He brands South Africa a terrorist state because he claims it is "guilty of naked military aggression against its neighbours".

South Africa, in fact, does not attack its neighbours — it attacks safe houses and facilities of the African National Congress, which launches terrorist attacks from these countries.

Israel also launches attacks against terrorist bases in the Lebanon, but the Americans have yet to call Israel a terrorist state.

The fact is that South Africa has a right to attack terrorist facilities in adjoining countries in order to protect its own people against death and injury.

Mr Dukakis's threat to use force against South Africa was made in a televised debate with the Rev Jesse Jackson at the time of last month's California primary.

Pressed by Mr Jackson on whether he accepted that as a logical sequence of branding South Africa a terrorist state circumstances could arise where military force might become necessary, Mr Dukakis said: "Yes, one aspect of a tough anti-terrorist policy is the use of military force against terrorist base camps."

Does Mr Dukakis really think the US has any moral right to attack South Africa — and if it did attack, that South Africans would simply roll over and expire with fright?

Obviously Mr Dukakis does not know much about South Africa's history, particularly the Boer War, in which the Boers took on the might of the British Empire.

If the Americans did attack South Africa, we wonder what would be left of the country after the bloody conflict that would ensue.

It's all too ridiculous for words.

That Mr Dukakis can even contemplate using force against a small country like South Africa must raise doubts about his ability to guide his country's military policy in a global context.

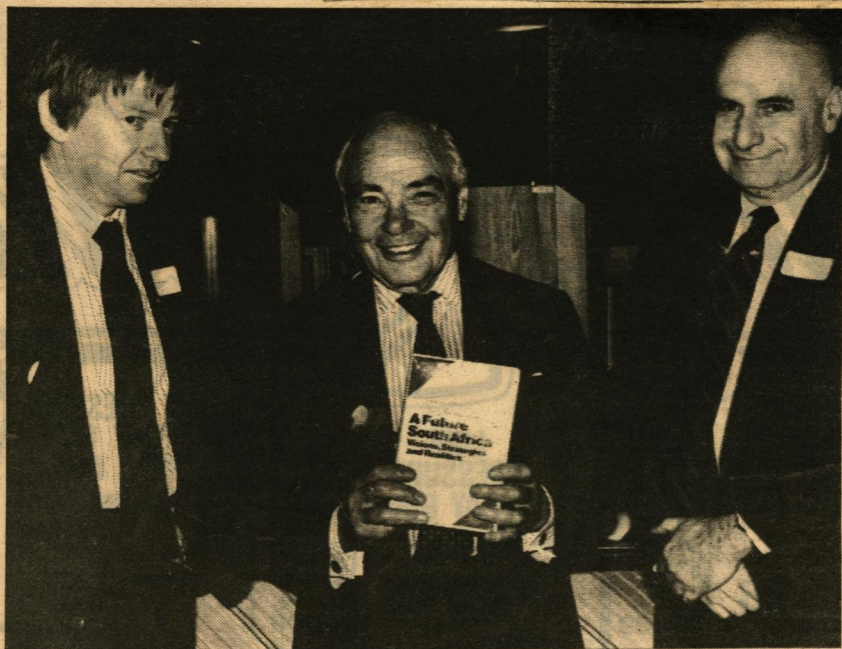
We don't think Mr Dukakis is a man to be trusted to play this role, since American (and other) lives would be in the hands of a trigger-happy bully, a man who can actually contemplate military force against a nation that is no enemy, or potential enemy, a nation, moreover, that is in the midst of reform that must be carried out peacefully if it is to succeed at all.

We can tell Mr Dukakis:

- US influence here, as a result of American disinvestment and sanctions, is negligible.
- Declare South Africa a terrorist state and the US will not only have to divest financially, but will have to pull out its diplomats. Its influence will then be nil.
- Mrs Thatcher is not going to be dictated to by Mr Dukakis if he is President, any more than she can be dictated to by any other foreign head of state.

She certainly will not impose stronger sanctions because an international greenhorn like Mr Dukakis expects her to do so.

He is playing for the Black vote in the Presidential election, but South Africa is not going to let itself be browbeaten or threatened by him or any other Yank — and it certainly will not let itself be destroyed by Mr Dukakis, economically or militarily.



Former Anglo American chairman, Mr HARRY OPPENHEIMER (centre) with the book: *A Future South Africa, Visions, Strategies and Realities*, which was officially launched in Johannesburg yesterday. With him are the book's two general editors, Mr PETER GODSELL (left), Group Consultant: industrial relations and public affairs at the Anglo American Corporation; and American sociologist, Professor PETER BERGER.

'Process of change unstoppable in SA'

Citizen Reporter

NEITHER paradise nor Armageddon awaits South Africa. Instead a slow and often painful march towards modernity is on the agenda. A non-racial, democratic and prosperous society is possible. South Africans simply have to make it happen.

These are the conclusions reached in the book: *A Future South Africa; Visions, Strategies and Realities*, which was released in Johannesburg yesterday.

The book, which took almost three years to complete, is the result of a research project called: *South Africa Beyond Apartheid*.

Chairing the project were eminent American

sociologist Professor Peter Berger and Mr Bobby Godsell, industrial relations and public affairs consultant at Anglo American.

The book was launched at the Brenthurst Library, the personal library of Mr Harry Oppenheimer, former Anglo American chairman, who provided financial and moral support for the project.

"Armageddon — or the violent overthrow of the present regime, which for many is synonymous with a Black/White bloodbath, is not going to happen," said Mr Godsell at yesterday's launch.

He said that such an action would not happen in this decade, nor in the following one, as the actual balance of power precluded it.

"Violence has been part of our society for decades. Violent actions by those who have power and those who seek it will continue. But the revolution is not at hand."

Mr Godsell said that if a final resolution in South African society was far off, the processes of change currently at work were unstoppable.

"Neither the Afrikaner Weerstandsbeweging, nor the guerrillas of Umkhonto we Sizwe can halt the process of urbanisation, industrialisation and modernisation now underway.

"The dream of racially pure nation states has been shattered for all time. The social order which emerges will inevitably be the result of a

process of Black/White interaction and accommodation. This new order will be forged through the pressure of economic reality — or inter-racial interdependence."

In his speech, Prof Berger said: "Despite my self-conscious status as an outsider, I have developed a strong affection for this astonishing country and a vivid concern for its future."

BUSINESS DAY
13 July 1988

US church backs Tutu call

DETROIT — The Episcopal Church in the US has endorsed a boycott of oil companies operating in SA after black church leaders called for support for Anglican Archbishop Desmond Tutu's sanctions campaign.

The oil boycott vote was taken in the last session of the church's 10-day convention — the top policy-making meeting for 2.5-million US Episcopalians.

It came one day after the boycott call was rejected by lay representatives of US dioceses, some of whom said a church campaign against Shell and other oil companies could harm the economy in states like Texas and Louisiana.

RICHARD WALKER

Lay deputy Emil Piel of Caldwell told the convention: "Archbishop Desmond Tutu is desperately in need of our support for the Shell oil boycott."

He said Tutu had been in constant touch by telephone with black church leaders at the Detroit convention.

"Tell them I love them and I need them to show their support of this boycott for my people and for my credibility... the groundwork is clearly being laid for my assassination," he quoted Tutu as saying. — Sapa-Reuter.

COMMENT**Get moving**

THE Reserve Bank's resort to a substantial gold swap to meet mid-year debt repayments has re-emphasised the severity of the constraints on economic growth and — inasmuch as declining living standards tend to push whites to the right and blacks to the left — the intractability of its political problems.

Nevertheless, the heaviest debt repayments lie behind us. The capital outflow of about R20bn in four years can be viewed as a disastrous loss of growth and prosperity or, with more realism, as an obstacle overcome. Debt commitments in the coming years remain heavy but, in spite of a bunching of bearer bonds and notes that fall due in 1990 and 1991, the load should lighten progressively through the next decade.

Trust Bank MD Chris van Wyk has calculated that, over a period of time, the average South African could be at least one-third poorer than he or she otherwise would have been but for the debt repayments. (To that prediction we add a gloomier footnote that the highly skilled whites are unlikely to suffer much decline in their living standards, or if they do, many of them will leave the country, thereby aggravating its problems.) Growth cannot exceed three percent at best and unemployment must be expected to soar, and with it the indices of poverty: crime, illness, infant mortality and deprivation.

Faced with this prospect, the truly alarming thing is not simply that we have landed ourselves in

such a mess. It is the confusion, delay, self-indulgence and plain selfishness that characterises government. It is the muddle and uncertainty — the sense that President Botha makes up his policies at breakfast every morning.

The future is narrowing. Volkskas, in its Economic Spotlight, predicts a poor year ahead and raises once again the prospect of import controls, which would set us irreversibly on the path to a managed siege economy.

That can still be averted, provided the country acts quickly to implement the policies on which its leaders — in government, in the banking world and in industry — have largely agreed: the elimination of controls and restrictions that hamper informal economic activity, the rapid expansion of modest home-building and self-help housing, the substantial electrification of the country, the development of new industries and the systematic search for new export markets.

Obviously, the search for political solutions must continue, but that search — given the polarisation which has occurred in white and black communities since 1976 — is likely to be prolonged. On one hand, economic development cannot await the outcome; on the other, economic failure would propel the country into ever-escalating conflict. In any event, the rapid elimination of economic restrictions (including the Group Areas Act and the Land Acts) would help to smooth the path to political conciliation.

'Face the real AIDS problem

BUSINESS DAY

13 July 1988

BRONWYN ADAMS

REPATRIATING migrant mine workers carrying the HIV virus simply displaced the problem of AIDS, while remaining blind to factors either causing it or facilitating its development, National Union of Mineworkers medical advisor Dr Dennis Roebbel said yesterday.

Speaking at a Corporate Management Consultants conference in Sandton on "AIDS at Work", Roebbel said the margin for error in many of the tests indicating patients were AIDS carriers was as high as 60%. This meant half the 700 migrant labourers who had had their contracts terminated at the beginning of this year because of being suspected carriers might not have had the disease at all.

Roebbel said the mining industry would have to accept responsibility for the spread of AIDS and provide compensation to sufferers. He said the disease was spreading through liaisons between sexually active miners, separated from their wives, and women in neighbouring districts.

Chamber of Mines's Dr Oluf Martiny said it was the employers' right to refuse to employ HIV carriers. He said, however, it was a completely different issue when a worker currently employed by an organisation contracted AIDS.

Consumer confidence on the wane

Economy set to slow down by year's end

BUSINESS DAY
13 July 1988

GRETA STEYN

ECONOMIC activity should start slowing down before the end of the year and should continue winding down next year, economists said yesterday.

However, it is not clear whether the slowdown has started and economists could not rule out more stringent monetary policy to protect the balance of payments (BoP).

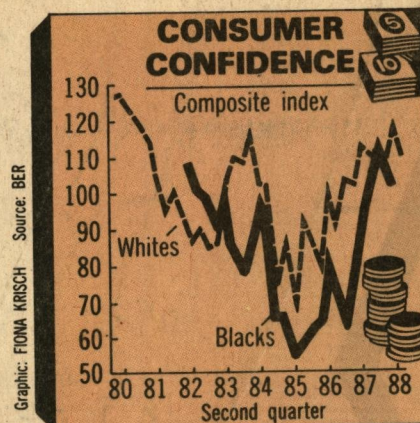
At the same time, they predict next year's downswing will not sink into recession and are forecasting real growth for 1989 — albeit significantly lower than this year's forecast of about 2.5%.

The Bureau for Economic Research (BER) expects the economy to cool down rapidly during the rest of the year. BER economist Glenn Moore said the slacker demand implied that SA could still achieve a surplus of R2bn on the current account of the BoP.

The BER forecast is based largely on surveys among consumers and business. Surveys showed consumer confidence, though still high, had diminished significantly by the end of the second quarter.

Motor-car dealers had become less optimistic, expecting the rate of increase in sales to slow down in the third quarter.

Economist Louis Geldenhuys, of stockbrokers George Huysamer, said the upswing was unlikely to continue for much longer, as it was built on a fragile base. It was a consumer-led upswing and



the underlying financial position of consumers was not strong enough to underpin continued strong demand.

Rand Merchant Bank economist Rudolf Gouws said the downswing, which would start this year and gain momentum next year, would not be recessionary.

Since the economy had not overheated, a recession was unlikely. Factors normally associated with an overheating economy had not emerged, such as rising inflation and capacity constraints.

At the same time, government's finances were in better shape, a relative calm reigned on the labour front and large capital projects were under way — indicating that positive real growth could still be achieved in 1989.

BUSINESS has picked up quite considerably since mid-1987. In the six months ended March 31, real gross domestic spending in SA grew at an annualised rate of more than 10%. Bankruptcies and bad debts are sharply down, while the demand for credit is significantly up.

Consumer spending is racing ahead and corporate cash flows have shown vast improvement. Business outlays have begun rising for the first time since 1981. Employment is increasing marginally, and the socio-political situation appears more stable than it has been for some time. Business and consumer confidence is on a comparative high.

Indeed, the fact that the economy is now at its strongest since 1981, despite having suffered a net capital outflow of more than R20bn over the past four years, is seen by some of my banking counterparts in Europe as a latter-day economic miracle.

However, South Africans should know better than to wax euphoric about this economic recovery, which has occurred from an extremely low base.

Total manufacturing production in 1988 has not yet reached the level of 1981, while real domestic economic activity in the first quarter of the year was only 6% above the level of the fourth quarter of 1981.

We realise, to our dismay, that the balance of payments constraint makes further expenditure growth in the short-term impossible. Indeed, the adverse impact of sanctions and disinvestment have become evident far sooner and more brutally than most South Africans might have expected.

This, together with our squanderous handling of human potential in the face of these adverse developments, implies that over an extended period of time the average South African could be at least one-third poorer than he or she otherwise would have been.

Moreover, sanctions and disinvestment are making it increasingly difficult to reach political solutions and accords; they retard the process of reform in SA. Sanctions have strengthened the hand of the ANC and the AWB whilst weakening the moderate centre group so necessary for a stable political future in this country.

Whatever the reasons why sanctions and disinvestment are propagated and applied from abroad, the consequences are destructive. The sanctions campaign is becoming progressively an integral part of the

A break-out strategy for South Africa

BUSINESS DAY
13 JULY 1988

In a major speech delivered last month, TrustBank MD CHRIS VAN WYK argues that South Africans must shed their negative mind-set about the future and focus instead on a "break-out strategy" for South Africa

"struggle" to violently overthrow the SA set-up.

It is crucially important for the Western world decision-makers to realise that sanctions form part of a violent "solution" and that they do not achieve constructive results.

More than ever before, the undesirable economic and political consequences of the sanctions campaign are impelling all South Africans to reflect on strategies with which to counter sanctions and combat their effects.

We cannot afford to accept the prospect of less than 3% real economic growth a year, with all the unemployment, poverty and other adverse social and socio-political consequences which they entail. Similarly, we cannot afford to become resigned by believing significant political progress to be impossible.

Now, as never before, all South Africans have to reflect positively and enterprisingly on the handling of our political and economic challenges.

Politically, there are three main areas requiring concerted effort:

- First of all, law and order, security and socio-political stability must be maintained;
- Secondly, no stone should be left

untuned in an unstinting and enterprising search for political breakthrough. But for that to happen, the whites will have to have the courage to face the fact that a speedy and complete dismantling of the remnants of apartheid is a prerequisite; and

□ Thirdly, it is important to launch a pro-active campaign to normalise SA's international economic and financial relations.

This brings me to the questions of mind-set. It appears to me that a major obstacle to SA's surging ahead on many fronts is an almost pathological preoccupation in many decision-making echelons with the so-called "limits" to what can be achieved. The "limits" to political progress, the "impossibility" of rolling back the process of isolation, the "ceiling" on our economic growth potential.

We are rapidly becoming experts at drawing up lists of what cannot be achieved. This trend has to be reversed. Such a mind-set has to be blown apart.

I believe that the severe constraints which growing international isolation imposes on our economy

could bring to fruition another wave of economic and business potential. SA has the necessary brains trust and entrepreneurship to think and manage it ways to success.

Let us turn to possible components of such a break-out strategy for SA, with a particular focus on initiatives which could bear fruit by the turn of this decade:

Firstly, the national housing drive. The past two years have witnessed praiseworthy initiatives from the public sector. These, aided by crucial legal reforms, have already been reflected in a recent year-on-year growth of 170% in building plans passed for black residential areas. Home building activity has begun to develop a massive momentum.

But this is only the beginning. The second wave of stimuli will be rising demand for basic household goods during the next few years. Private enterprise should be planning and gearing for massively increased purchases of tables, beds, cupboards, carpets, curtains, utensils and electrical appliances.

At the same time, the national housing drive improves quality of life, enhances self-esteem, promotes social stability, increases economic activity without burdening the balance of payments and creates em-

ployment. This links up with another strategy — i.e., to accelerate the provision of electricity to the entire nation.

This again is closely linked to my third suggestion: hand-in-hand with "electrifying" the nation, it should be "televised" without delay.

Besides boosting job creation in the electronics industry, to have a functional television set in every home will enable massive strides to be made in delivering audio-visual education as a fraction of the cost of classroom education.

Moreover, evidence in many high population growth countries suggests that nationwide access to television sets is a most effective means of reducing high birth rates over comparatively short periods.

On another front, we should be working far more aggressively towards developing a vibrant jewellery manufacturing industry ... which could easily become one of SA's top foreign exchange earners.

Tourism ... is a supreme example of a crisis that was in no time converted into a major success story by enterprising South Africans.

In 1984/85 the tourist industry moved into a major slump; by the end of 1988 the number of foreign visitors will have risen by 35%. A combined action plan of State and private enterprise should imaginatively aim at developing a tourist industry that will be five times its present size by the turn of the century. It is achievable to turn tourism into SA's largest foreign exchange earner after gold by that time.

The urgent needs of the present situation demand a co-ordinated national attempt at finding a solution. When all is said and done, our circumstances are by no means traditional or normal.

Is it not time for the State President and a small team of top business leaders to meet on a regular basis to plan, implement and execute strategies to break out of the current impasse? Let us talk about a kind of break-out action cabinet.

The challenges that we face require unconventional thoughts and actions. We must be prepared to discard all our preconceptions and take an unbiased look at national questions and their solutions.

Time is not on our side. The strategies that we devise and execute must be able to produce sparkling results in not more than a decade. And that will require that we pool our resources in the interest of the common good.

13 July 1988